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No. 92-1750

In The

Supreme Court of the United States

October Term, 1993

John C. Fogerty,

Petitioner,

v.

Fantasy, Inc.,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF *AMICUS CURIAE* OF APPLE COMPUTER, INC. IN SUPPORT OF RESPONDENT

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BRIEF *AMICUS CURIAE* OF APPLE COMPUTER, INC. IN SUPPORT OF RESPONDENT

This *amicus curiae* brief is submitted in support of Respondent. Written consent to file this *amicus* brief was obtained from both parties and placed on file with the Clerk.

INTEREST OF APPLE COMPUTER, INC. AS AMICUS CURIAE

Apple Computer, Inc. is the plaintiff in an action for infringement of the Apple copyrighted audiovisual works that constitute the graphical user interface of Apple's Macintosh computers, *Apple Computer, Inc. v. Microsoft Corp. & Hewlett-Packard Co.*, No. C 88 20149 VRW (N.D. Cal. filed Mar. 17, 1988). After a series of rulings on court-invited motions,[1] the parties, "recogniz[ing] that, in light of the prior rulings . . . it would be in the best interest of judicial economy and efficiency to obtain an early review of those rulings on appeal rather than proceeding to trial," stipulated to the entry of a final summary judgment in favor of defendants so that Apple "may notice and prosecute an appeal therefrom." [May 23, 1993 Stipulation ¶¶ 1, 2.]

Defendants subsequently moved for an award of attorneys' fees and costs under 17 U.S.C. § 505. The motions were denied by the district court on the basis of the governing authorities, including the ruling of the court of appeals under review here. In so-ruling, the court commented that:

> The Court recalls very well the action was initiated in a context of copyright law concerning computers that was dramatically different from that which exists now, five years later.
>
> When the action was begun the [*Whelan*] case, the *Broberbund* case, various others, suggested a very

[1] The reported decisions on the various motions filed in the case are at 709 F. Supp. 925 (N.D. Cal. 1989); 717 F. Supp. 1428 (N.D. Cal. 1989); 759 F. Supp. 1444 (N.D. Cal. 1991); 779 F. Supp. 133 (N.D. Cal. 1991); 799 F. Supp. 1006 (N.D. Cal. 1992).

> broad-ranging and muscular interpretation of copyright protection as it applies to certain computer software.
>
> As time has gone on and other cases have come forward, the legal environment has changed. . . . [T]he current environment is a different one from that which existed five years ago when the action was initiated.
>
> . . . .
>
> . . . I am convinced without any question that, in the context of the highly uncertain environment in which computers were regarded in the law with regard to copyright protection, that the filing of this lawsuit was most certainly not in bad faith. It was a considered and thoughtful effort on the part of Apple to protect its copyrights and protect very valuable intellectual property, and that's a very, very long way in my view from anything that approaches bad faith.
>
> Nor do I consider that the case was at any time prosecuted in bad faith.

July 30, 1993 Tr. of Proceedings 34-36. However, the court made it clear that:

> In the event that the Supreme Court's decision in *Fogerty* results in a modification of the Ninth Circuit's rule and attorney fees are recoverable without a showing of bad faith, the Court will entertain at an appropriate time any motion that the parties may wish to bring to recover fees.

July 30, 1993 Tr. of Proceedings 37. Accordingly, Apple has an acute interest in the outcome of the appeal in this case.

Furthermore, Apple is a leading innovator in the fields of computer programming, computer graphics and animation and, more recently, media integration (the creation of multimedia products combining sound, video and animation artistries). The legal protection of its creative works against misappropriation by copiers is essential to the maintenance of its business. Apple therefore has an abiding interest in pursuing, on an objectively reasonable basis, infringement claims against the copiers who seek to trade on the creative efforts of its employees, undeterred by the risk of payment of a defendant's attorneys' fees if the case is lost. It has a need to know with reasonable predictability that, so long as it acts reasonably, it can enforce its copyrights without the risk of bearing the extraordinary cost of both its own and the defendant's attorneys' fees.

Summary of Argument

The Ninth Circuit rule that directs the exercise of discretion under 17 U.S.C. § 505 to require denial of an attorneys' fee award against a losing plaintiff unless it appears that the action was frivolous or brought in bad faith (hereinafter referred to as "the Ninth Circuit rule") has a long history, with presumed congressional approval by enactment of the 1976 Copyright Act. That is the rule adopted by this Court and other federal courts in interpreting substantially identical statutory provisions relating to the enforcement of other federal laws. The rationale supporting that rule--essentially to avoid deterring a copyright holder from pursuing a justifiable infringement claim and thus to encourage the creation of original copyrightable works--is sound.

The wisdom of the rule is especially evident with respect to suits to enforce copyrights protecting computer software. The copying of computer code is easily disguised, making the copying hard to discover and substantial similarity difficult to demonstrate. Moreover, notwithstanding the congressional directive that computer programs be protected as "literary

works" under the Copyright Act, resistance to that directive has recently led to major revisions by some courts of the traditional judicial approaches to adjudicating copyright infringement issues. As illustrated in the *Apple* case, diminished protection has been decreed even for such highly creative works as the audiovisual works constituting computer graphical user interfaces. To add to what the *Apple* trial judge described as that "highly uncertain environment" the risk of a double expense for attorneys' fees if the case is lost cannot but deter the bringing of meritorious claims and, eventually, adversely affect investment in innovative creative works and the companies that produce them.

The creation of computer software is a highly individualized endeavor. The software industry is composed in the main of thousands of individuals and start-up companies employing only a few individuals and possessing extremely limited resources. The protection of their creative works obviously is essential to their existence. There can be little doubt that the added risk of being saddled with the payment of a defendant's attorneys' fees in addition to its own attorneys' fees would deter the bringing of many meritorious suits by such entrepreneurs and would result in a retrenchment in the number of software start-up enterprises.

None of the arguments presented on behalf of petitioner Fogerty refutes the logic of that reasoning.

Categorizing the cases applying the Ninth Circuit rule as employing a "dual" or "double" standard does not impair that logic. This case does not require consideration of the appropriate circumstances for the denial of an attorneys' fee award against a losing defendant, but, if it did, the different considerations disfavoring a copyright violator obviously provide warrant for a freer award of attorneys' fees to a winning plaintiff.

In any event, contrary to the argument urged on behalf of Fogerty, there does not appear to be any meaningful basis in American copyright history or precedent for the radical adoption of the British rule, awarding counsel fees as a matter of course to the prevailing party.

The cases that have not adopted the Ninth Circuit rule have nevertheless taken into account, in the case of a prevailing defendant, whether the action was a reasonable assertion of a colorable claim (together with other circumstances bearing on the relative positions of the parties). Moreover, those cases (and cases applying the Ninth Circuit approach as well) have not automatically awarded fees to a prevailing plaintiff and instead have denied awards against losing defendants who were innocent infringers or otherwise not blameworthy.

Nor does the Hewlett-Packard claim that a prevailing defendant "deserve[s]" an award because its opposition "serves the public interest" bear scrutiny. First, the rewards of winning an infringement case to a defendant who has emulated a commercially successful innovative work created by others are likely to be so great that defendants need no additional incentive in those cases to litigate to the nth degree. Second, the record shows that defendants so motivated have the means to utilize the litigation process to their economic advantage whether they eventually win or lose. Third, there are a great variety of ways in which a defendant may prevail that render not the slightest service to the public interest. Indeed, it is not unheard of that a defendant may prevail in the district court by rulings that require reversal on appeal. As appears below, all of the foregoing is illustrated in the *Apple* case.

Additionally, the Ninth Circuit rule preserves the incentive of an attorneys' fees penalty against a plaintiff who has brought an unfounded suit or proceeded in bad faith. The early

settlement of well founded suits should not be viewed as necessarily opposed to the "public interest."

Argument

I. THE NINTH CIRCUIT RULE IS WELL ESTABLISHED WITH A LONG HISTORY AND SHOULD BE PRESUMED TO HAVE RECEIVED CONGRESSIONAL APPROVAL BY ENACTMENT OF THE COPYRIGHT ACT OF 1976; IT ALSO SHOULD BE APPROVED AS CONSISTENT WITH THE RULE ADOPTED BY THIS COURT AND OTHER FEDERAL COURTS IN INTERPRETING ESSENTIALLY IDENTICAL STATUTORY PROVISIONS IN OTHER FEDERAL LAWS.

The Ninth Circuit rule has long been the settled rule governing the award of attorneys' fees under 17 U.S.C. § 505 against a losing plaintiff in the Second and Seventh Circuits as well as in the Ninth Circuit[2] and, in fact, is the rule adopted in the majority of courts that have ruled on the question.[3] It also is the rule adopted by this Court and other federal courts in interpreting essentially identical statutory provisions relating to

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[2] *E.g.*, *Folio Impressions, Inc. v. Byer California*, 937 F.2d 759, 767 (2d Cir. 1991); *Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1022 (7th Cir.), *cert. denied*, 112 S. Ct. 181 (1991); *Roth v. Pritikin*, 787 F.2d 54, 57 (2d Cir. 1986).

[3] *See, e.g.*, *Reader's Digest Ass'n v. Conservative Digest, Inc.*, 821 F.2d 800, 809 (D.C. Cir. 1987); *Flag Fables, Inc. v. Jean Ann's Country Flags & Crafts, Inc.*, 753 F. Supp. 1007, 1017 (D. Mass. 1990); *cf. Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 122-23 (8th Cir. 1987); *Donald Frederick Evans & Assocs. v. Continental Homes, Inc.*, 785 F.2d 897, 916-17 (11th Cir. 1986).

the enforcement of other federal laws.[4] It thus is entitled to

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[4] *Christiansburg Garment Co. v. EEOC*, 434 U.S. 412, 422 (1978) ("a plaintiff should not be assessed his opponent's attorney's fees unless a court finds that his claim was frivolous, unreasonable, or groundless, or that the plaintiff continued to litigate after it clearly became so") (applying § 706(k) of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000(e)-5(k) ("the court, in its discretion, may allow the prevailing party . . . a reasonable attorney's fee as part of the costs")); *Hughes v. Rowe*, 449 U.S. 5, 14 (1980) ("[t]he plaintiff's action must be meritless in the sense that it is groundless or without foundation. The fact that a plaintiff may ultimately lose his case is not in itself a sufficient justification for the assessment of fees") (applying the Civil Rights Act of 1964, 42 U.S.C. § 1988 ("the court, in its discretion, may allow the prevailing party . . . a reasonable attorney's fee as part of the costs")); *Pennsylvania v. Delaware Valley Citizens' Council for Clean Air*, 483 U.S. 711, 713 n.1 (1987) ("in awarding attorney's fees . . . the courts should follow the principles and case law governing the award of such fees under 42 U.S.C. § 1988") (applying the Clean Air Act Amendments of 1970, 42 U.S.C. § 7604(d) ("The Court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such award is appropriate")); *Ruckelshaus v. Sierra Club*, 463 U.S. 680, 682 n.1 (1983) ("the interpretation of 'appropriate' in [the Clean Air Act Amendments of 1970 fee provision] controls the construction of" seventeen federal environmental laws) (applying the Clean Air Act Amendments of 1970, 42 U.S.C. § 7607(f) ("the court . . . may award costs of litigation (including reasonable attorney and expert witnesses fees) whenever it determines that such an award is appropriate") and a series of similarly worded environmental laws (Toxic Substances Control Act, 15 U.S.C. § 2618; Endangered Species Act of 1973, 16 U.S.C. § 1540; Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. § 1270; Deep Seabed Hard Mineral Resources Act, 30 U.S.C. § 1427; Clean Water Act, 33 U.S.C. § 1365; Marine Protection, Research, and Sanctuaries Act of 1972, 33 U.S.C. § 1415; Deepwater Port Act, 33 U.S.C. § 1515; Safe Drinking Water Act, 42 U.S.C. § 300j-8; Noise Control Act, 42 U.S.C. § 4911; Energy Policy and Conservation Act, 42 U.S.C. § 6305; Powerplant and Industrial Fuel Use Act, 42 U.S.C. § 8435; Ocean Thermal Energy Conversion Act of 1980, 42 U.S.C. § 9124; Outer Continental Shelf Lands Act Amendment of 1978, 43 U.S.C. § 1349)); *Homeward Bound, Inc. v. Hissom Memorial Ctr.*, 63 F.2d 1352, 1354 n.1 (10th Cir. 1992) ("[t]he language of [§ 794a(b)] i identical to the Civil Rights Attorney's Fees Awards Act of 1976, 42 U.S.C. § 1988. Accordingly, the standards for awarding fees under § 1988 are applicable to

respect not only as the majority view but also under the principle that use of similar language to that used in other fee-shifting statutes should be taken as "'a strong indication'" that the statutes "'are to be interpreted alike.'"[5]

Moreover, it deserves special note that the statutory provision providing for fee-shifting was among the provisions of the Copyright Act of 1909 that were the focus of specific attention in the studies leading to enactment of the present Copyright Act of 1976[6] and, indeed, was one of the provisions that was revised (making costs discretionary instead of

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fee awards under § 794a(b)") (applying the Rehabilitation Act of 1973, 29 U.S.C. § 794a(b) ("In any action or proceeding . . . the court, in its discretion, may allow the prevailing party . . . a reasonable attorney's fee as part of the costs")); *Sassower v. Field*, 973 F.2d 75, 79 (2d Cir. 1992) (section 3613(c)(2) "permits an award of fees to prevailing defendants only upon a showing that the suit is 'frivolous, unreasonable, or without foundation'") (applying the Fair Housing Act, 42 U.S.C. § 3613(c)(2) ("the court . . . , in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee and costs")), *cert. denied*, 113 S. Ct. 1879 (1993); *Nemeroff v. Abelson*, 620 F.2d 339, 350 (2d Cir. 1980) ("the minimum standard for an award of fees . . . is that set forth in *Christiansburg Garment*") (applying the Securities Exchange Act of 1934, 15 U.S.C. § 78i(e) ("the court may, in its discretion, . . . assess reasonable costs, including reasonable attorney's fees, against either party litigant")).

[5] *Independent Fed'n of Flight Attendants v. Zipes*, 491 U.S. 754, 758 n.2 (1989); *accord, e.g., Hensley v. Eckerhart*, 461 U.S. 424, 433 n.7 (1983); *Northcross v. Board of Educ.*, 412 U.S. 427, 428 (1973).

[6] *See* Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess. 109 (H. Judiciary Comm. Print 1961) ("the Register's Report"); Ralph S. Brown, Jr. et al., *The Operation of the Damage Provisions of the Copyright Law: An Exploratory Study*, Study No. 23, Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary, 86th Cong., 2d Sess. 59 (Comm. Print 1960) ("the Brown Report"); William S. Strauss, *The Damage Provisions of the Copyright Law*, Study No. 22, 86th Cong., 2d Sess. 1 (Comm. Print 1960).

mandatory, conforming to the discretionary award of attorneys' fees).[7] At that time, it was well established that a winning defendant usually was not awarded fees unless the action was "synthetic, capricious or otherwise unreasonable,"[8] and that was the rule cited in congressional reports.[9] In the circumstances, it is reasonable to presume, as a matter of statutory construction and under the principle of *stare decisis*, that Congress approved of the Ninth Circuit rule as it was explained to Congress.[10]

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[7] See *Whelan Assocs. v. Jaslow Dental Lab., Inc.*, 609 F. Supp. 1325, 1329 (E.D. Pa. 1985), *aff'd*, 797 F.2d 1222 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987), explaining that the Copyright Act of 1976 changed the award of "full costs" to be discretionary rather than mandatory, as it had been in the 1909 Act, 17 U.S.C. § 116.

[8] See, e.g., *Cloth v. Hyman*, 146 F. Supp. 185, 193 (S.D.N.Y. 1956), reciting the prior "extensive judicial exposition" of the statute.

[9] The Brown Report specifically noted [at 85] that "courts do not usually make an allowance [for fees] at all if an unsuccessful plaintiff's claim was not 'synthetic, capricious or otherwise unreasonable,' or if the losing defendant raised real issues of fact or law" (quoting *Cloth v. Hyman*, 146 F. Supp. 185, 193 (S.D.N.Y. 1956)). The Register's Report [at 109] explained:

> The discretionary power of the courts to require the losing party to pay 'a reasonable attorney's fee' is intended to discourage unfounded suits and frivolous defenses. The courts have generally denied awards of attorney's fees where the losing party had solid grounds for litigating his claim or defense. This discretionary power of the courts is generally regarded as salutary, and we concur in this view.

[10] *See Keene Corp. v. United States*, 113 S. Ct. 2035, 2043 (1993) (applying "the presumption that Congress was aware of these earlier judicial interpretations and, in effect, adopted them"); *Pierce v. Underwood*, 487 U.S. 552, 567 (1988) (when "Congress reenacted a statute that had in fact been given a consistent judicial interpretation . . . [s]uch a reenactment, of course, generally includes the settled judicial interpretation"); *Herman & MacLean v. Huddleston*, 459 U.S. 375, 384-86 (1983) (where Congress "enact[s] the 'most substantial and significant revision of this country's Federal securities laws,'" its decision to leave some provisions intact was clear evidence of an intent to adopt the construction given those provisions by the courts); *United States v. Ryan*, 284 U.S. 167, 174-75 (1931) (tax law reenacted without substantial change "must be considered to have adopted the consistent interpretation" given the prior law); *cf. Lindahl v. Office of Personnel Mgmt.*, 470 U.S. 768, 782 (1985) ("the legislative history . . . demonstrates that Congress was indeed well aware" of the prior judicial interpretation).

II. THE NEED OF THE NINTH CIRCUIT RULE IS ESPECIALLY ACUTE IN SUITS TO ENFORCE COPYRIGHTS PROTECTING COMPUTER SOFTWARE.

The rationale of the Ninth Circuit rule, as explained by the court of appeals below, is "to avoid chilling a copyright holder's incentive to sue on colorable claims, and thereby to give full effect to the broad protection for copyrights intended by the Copyright Act." *Fantasy, Inc. v. Fogerty*, 984 F.2d 1524, 1532 (9th Cir.), *cert. granted*, 113 S. Ct. 2992 (1993).[11] The soundness of the rule is especially evident in suits to enforce copyrights protecting computer software.

The copying of a computer program is relatively easy to disguise. Thus, it is often difficult to ascertain, and even more difficult to prove, the extent to which a program has been

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[11] *See also Roth v. Pritikin*, 787 F.2d 54, 57 (2d Cir. 1986); *Diamond v. Am-Law Publishing Corp.*, 745 F.2d 142, 148 (2d Cir. 1984); *Folio Impressions, Inc. v. Byer California*, 937 F.2d 759, 767 (2d Cir. 1991); *Rural Tel. Serv. Co. v. Feist Publications Inc.*, 24 U.S.P.Q.2d (BNA) 1312, 1313 (D. Kan. 1992); *Flag Fables, Inc. v. Jean Ann's Country Flags & Crafts, Inc.*, 753 F. Supp. 1007, 1017 (D. Mass. 1990); *cf. Christiansburg Garment Co. v. EEOC*, 434 U.S. 412, 422 (1978) (interpreting § 706(k) of Title VII of the Civil Rights Act of 1964 and explaining that "[t]o take the further step of assessing attorney's fees against plaintiffs simply because they do not finally prevail would substantially add to the risks inhering in most litigation and would undercut the efforts of Congress to promote the vigorous enforcement of the provisions of Title VII").

copied.[12] It is primarily for that reason that the parties in interest have debated whether copyright protection should be limited to the literal copying of computer code or instead extend to protection of the structure, sequencing and organization of a program, such as was accorded to the plaintiff's program in *Whelan Assocs. v. Jaslow Dental Lab., Inc.*, 797 F.2d 1222 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987).[13]

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[12] *See* 1 Richard L. Bernacchi et al., *Bernacchi on Computer Law* § 3.11.4, at 3-78 to -79 (1992) ("A competent programmer can, with a minimum amount of time and effort, make a copy of a program look, at least on the surface, completely unlike the original simply by changing such things as labels and variable names, without making any substantive changes at all to the logic, design, or structure of the original program. This is clearly the kind of taking advantage of another's work that the copyright laws are designed to protect against, and yet the required showing to prove infringement may be very difficult to make"); *see also* Anthony L. Clapes et al., *Silicon Epics and Binary Bards: Determining the Proper Scope of Copyright Protection for Computer Programs*, 34 UCLA L. Rev. 1493, 1577-78 (1987); Michael D. Scott, *Computer Law* § 3.78, at 3-76 to -77 (1989).

[13] *Whelan* was cited with approval in *Bull HN Info. Sys., Inc. v. American Express Bank Ltd.*, [1989-1990] Copyright L. Dec. (CCH) ¶ 26,555, at 23,279 (S.D.N.Y. 1990); *Pearl Sys., Inc. v. Competition Elecs., Inc.*, 8 U.S.P.Q.2d (BNA) 1520, 1524-25 (S.D. Fla. 1988); *Digital Communications Assocs. v. Softklone Distrib. Corp.*, 659 F. Supp. 449, 454-55 (N.D. Ga. 1987); and *Broderbund Software, Inc. v. Unison World, Inc.*, 648 F. Supp. 1127, 1133 (N.D. Cal. 1986). *See also Johnson Controls, Inc. v. Phoenix Control Sys.*, 886 F.2d 1173, 1175 (9th Cir. 1989) (approving proof of an infringement by reference to the nonliteral components of a program, including its "structure, sequence and organization"); *Manufacturers Technologies, Inc. v. Cams, Inc.*, 706 F. Supp. 984, 994, 996 (D. Conn. 1989) (sequencing and flow of plaintiff's screen displays constituted copyrightable expression); *SAS Inst., Inc. v. S&H Computer Sys.*, 605 F. Supp. 816, 830 (M.D. Tenn. 1985) (copying of the organization and structure as well as specific lines of code).

In general, see Anthony L. Clapes, *Software, Copyright, and Competition*, ch. 10, at 94-109 (1989).

Acting in accordance with the directive by Congress in the Software Copyright Act of 1980 to treat computer programs as "literary works,"[14] a number of courts have conscientiously applied traditional copyright principles in computer program cases.[15] However, the emergence of software as a major component of the computer industry has impressed everyone--not least the opportunists that saw that the quickest, easiest road to enormous wealth was to emulate as closely as the law would allow the most commercially successful innovative works developed by others[16]--and the debate that preceded the 1980 enactment[17] has been renewed with vigor.[18] Those who favor

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[14] Pub. L. No. 96-517, § 10(a), 94 Stat. 3028 (1980) (codified as amended at 17 U.S.C. § 101) (including a computer program within the copyright category of literary works). *See* H.R. Rep. No. 1476, 94th Cong., 2d Sess. 51, 54, *reprinted in* 1976 U.S.C.C.A.N. 5659.

The Act defines a "computer program" as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101. Literary works are defined as "works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied." *Id.*

[15] *See* Morton D. Goldberg & John F. Burleigh, *Copyright Protection for Computer Programs: Is the Sky Falling?*, 17 AIPLA Q.J. 294, 296 (1989).

[16] In 1984, the Chairman of Microsoft Corporation, incorporated in 1981, predicted that "the industry's new standard for operating systems would be Microsoft's Windows . . . aimed at giving PC screens the friendly look of the Apple Macintosh." Alan Deutschman, *Bill Gates' Next Challenge*, Fortune, Dec. 28, 1992, at 30, 31. The cited article reports Microsoft's market value at the time--nine years after the introduction of Windows 1.0 (in 1985) and five years after introduction of Windows 2.03 (in 1987)--at $25 billion. *Id.*

[17] The congressional action followed the recommendations of the congressionally established National Commission on New Technological Uses of Copyrighted Works (CONTU) in a Final Report transmitted to the President

revision of the law have gained some judges as adherents who have questioned the wisdom of protecting computer programs as "literary works" and decreed major revisions of the traditional judicial approaches to adjudicating copyright infringement issues.[19] The effect of the legal chaos may be seen in microcosm in the different opinions over time by the trial judge in the *Apple* case.[20] Thus, there has been added to the inherent

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on July 31, 1978, after three years of deliberations. A dissent by Commissioner John Hersey contended that copyright protection for a computer program was inappropriate (and perhaps unconstitutional) because, in its usable form, a computer program was "a machine-control element, a mechanical device," analogous to a cam controlling a drill. CONTU Report at 27-29. The majority of the Commission answered that "[p]rograms should no more be considered machine parts than videotapes should be considered parts of projectors or phonorecords parts of sound reproduction equipment" and "[t]hat the words of a program are used ultimately in the implementation of a process should in no way affect their copyrightability." *Id.* at 21.

[18] See, in general, Anthony L. Clapes, *Softwars--The Legal Battles for Control of the Global Software Industry* (1993), describing the conflicts between the interests of "innovators" and "copiers."

[19] *See, e.g., Computer Assocs. Int'l v. Altai, Inc.*, 982 F.2d 693, 712 (2d Cir. 1992); *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1527 (9th Cir. 1992) (affording the video game programs involved in that case "a lower degree of protection than more traditional literary works").

[20] Apple's complaint alleges that the graphical user interfaces of Microsoft's Windows 2.03 and 3.0 and Hewlett-Packard's NewWave products are unauthorized derivative works of Apple's copyrighted audiovisual works, exceeding the scope of a 1985 license to Microsoft relating to Windows Version 1.0 (of which Hewlett-Packard also claimed the benefit). It was recognized that Apple's unique user interface was one of Apple's most valuable assets and was principally responsible for the phenomenal success of the Macintosh computer, which became famous throughout the world for its "distinctive user friendly" interface. 709 F. Supp. at 926; 759 F. Supp. at 1447. In the 1985 license, Microsoft acknowledged that "the visual displays in [Microsoft Windows 1.0] 'are derivative works of the visual displays generated by Apple's Lisa [an earlier Apple computer] and Macintosh graphic user interface programs.'" See 709 F. Supp. at 927.

difficulty of protecting software against willful misappropriation the risk of what the *Apple* trial judge described as a "highly uncertain [legal] environment."

This Court has noted that "the course of litigation is rarely predictable," that "seldom can a prospective plaintiff be sure of ultimate success," and that "[t]o take the further step of assessing attorney's fees against plaintiffs simply because they do not finally prevail would substantially add to the risks inhering in most litigation and would undercut the efforts of Congress to promote the vigorous enforcement of the provisions of Title VII." *Christiansburg Garment*, 434 U.S. at 422. The current turmoil concerning the protection of computer programs (and even computer audiovisual works) provides an instructive example of that perceptive insight.

There can be little doubt that defendants' later products were "strikingly similar" to the Macintosh interface. Hewlett-Packard advertisements quoted from various industry views emphasizing "*the strong resemblance [of Hewlett-Packard's NewWave] to the Macintosh desktop interface.*" (Emphasis supplied) Among many similar observations by others, an early (1987) Microsoft review of the Hewlett-Packard NewWave graphical user interface (sent to Microsoft's "upper management executives") found that "*the look and feel of the [NewWave] user interface is strikingly similar [to the Macintosh Finder].*" (Emphasis supplied)

The trial judge originally recognized that defendants' arguments attacking Apple's copyrights "would, in effect, preclude copyright protection for all pictorial works, which, if dissected, would be composed of a limited number of geometric shapes." Order of July 25, 1991 at 4. He also originally held that, "[b]ecause there ought to be copyright protection for an innovative melding of elements from preexisting works, elements which have been deemed 'unprotectible' should not be eliminated prior to the substantial similarity of expression analysis." 779 F. Supp. at 135-36. Nevertheless, after "filtering out" the individual discrete graphic design "elements" of the Macintosh interface in the manner taught in *Computer Associates* [799 F. Supp. 1006] and making other restrictive rulings, he ruled that the only protection available to Apple's work was limited to at most protection against "virtually identical" copying.

The importance of that insight in the computer software industry cannot be overestimated. Of the estimated 50,000 companies in the computer industry in 1991,[21] it seems safe to assume that most of those that still exist, and most of the companies organized since 1991, are engaged in the production of software[22] and that all but a few of today's software companies are relatively young start-up companies employing only a few individuals and otherwise enjoying extremely limited resources. One recently reported survey shows that the typical software firm employs six people and generates approximately $560,000 in annual revenues.[23] All software companies are heavily dependent on the protection available for their copyrighted works. As explained by Microsoft's Chairman in an essay written after the rendering of the decision in *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240 (3d Cir. 1983) (holding that Apple's operating system programs expressed only in object code and embedded in a read only memory (ROM) semiconductor device were protectable under the Copyright Act and that copying was not excused by defendant's desire to achieve compatibility with application programs written for Apple's computer), *cert. dismissed*, 464 U.S. 1033 (1984):

> [The ruling] may have saved the future of the United States computer software industry. . . .

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[21] V. Siber, Remarks to the Annenberg Foundation, May 21, 1991, at 3.

[22] The 1987 Census of Service Industries showed 39,701 establishments engaged in "[c]omputer programming, data processing, and other computer related services" of which 21,594 were engaged in "[c]omputer programming, prepackaged software, and integrated systems design." U.S. Department of Commerce, 1987 Census of Service Industries, Table 3a, at US-19 (Nov. 1989).

[23] William H. Gates, Letter to the Editor, InfoWorld, Aug. 16, 1993, at 44.

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The software industry is one of the nation's fastest-growing and most important leadership industries. The primary reason that the United States continues to dominate the computer business is because it has consistently been at the forefront of software innovation. In many ways, the future of the computer industry will be governed by software development.

. . . And without the copyright protection, innovation and growth in the software industry would stop. . . .

. . . It is only fair for companies that invest millions of dollars in product research and development to receive some return when they have a best-selling product.

> Imagine the disincentive to software development if after months of work another company could come along and copy your work and market it under its own name. . . . Without legal restraints on such copying, companies like Apple could not afford to advance the state-of-the-art.[24]

Smaller companies are especially reliant on court enforcement of their copyrights.[25] The imposition of any substantial added

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[24] William H. Gates, *Insurance for the Industry's Future*, N.Y. Times, Sept. 25, 1983, § 3, at 2.

[25] It appears from *The Recorder* (the official newspaper for the United States District Court for the Northern District of California) that there were 69 copyright cases filed in the San Francisco office of the Northern District of California from January 1992 to August 1993. Putting aside the 10 cases in which Broadcast Music, Inc. was suing a restaurant or bar for jukebox

risk--and certainly the added risk of being required to pay a defendant's attorneys' fees in addition to its own attorneys' fees--that would make such suits more difficult, problematical or costly no doubt would adversely threaten the viability of those smaller companies and eventually contract their number and the investment capital and talent available for participation in the inherently risky business of creating innovative software.[26] Such a result would undercut in the most direct way the advancement of "'the large objectives'" of the Copyright Act [*Zipes*, 491 U.S. at 758-59] and should not be contemplated absent a clear and compelling overriding congressional order.[27]

III. PETITIONER'S ARGUMENTS DO NOT REFUTE OR IMPAIR THE REASONING SUPPORTING THE NINTH CIRCUIT RULE.

Much of the argument presented on behalf of petitioner consists of a pejorative suggestion that a "dual" or "double"

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performance of music protected by copyrights held by members of BMI, all but 16 (roughly 75 percent) appeared to be cases in which the plaintiffs were either individuals (17 cases) or small corporations with 20 or fewer employees and less than $2 million in annual sales revenues (26 cases). Of the 8 cases that could be identified as involving copyrights of computer programs, 6 of the plaintiffs were either individuals or small corporations with fewer than 20 employees and less than $500,000 in annual sales revenue.

[26] As noted by a Vice-President of a leading software developer, "Most software companies are small; if they don't worry about being profitable, they won't be here next year." Patricia Keefe, *Survey of Software Firms Taps Industry's Hot Buttons*, ComputerWorld, Nov. 12, 1990, at 117 (quoting Frank Ingari, a Vice-President of Lotus Development Corp.).

[27] It also is of interest that many believe that "[g]enerally smaller companies are the most innovative." *PC Software Market Booming*, Standard & Poor's Industry Surv.: Computers Basic Analysis, Dec. 31, 1992, at C-107; *cf.* F.M. Scherer, *Innovation and Growth: Schumpeterian Perspectives* 237 (1984).

rather than an "evenhanded" standard for treating with prevailing defendants as compared with prevailing plaintiffs is per force unjustified. However, analysis of the underlying considerations and "'the large objectives'" of the congressional enactment demonstrates that whatever different treatment may be found in different cases emanates from the different situations of a willful copyright violator and a plaintiff who loses a suit that was objectively reasonable when brought and prosecuted in good faith. As this Court explained in *Zipes*, 491 U.S. at 762 (an innocent intervenor not liable for the attorneys' fees of an original party), "[o]ur cases have emphasized the crucial connection between liability for violation of federal law and liability for attorney's fees under federal fee-shifting statutes"--sharply differentiating the situation of a prevailing plaintiff and a prevailing defendant, citing, *inter alia*, *Christiansburg Garment*, 434 U.S. at 418, *Newman v. Piggie Park Enters.*, 390 U.S. 400, 402 (1968), and other cases applying the *Newman* standard. *See also Video Views, Inc. v. Studio 21, Ltd.*, 925 F.2d 1010, 1022 (7th Cir.), *cert. denied*, 112 S. Ct. 181 (1991); *cf.* Thomas D. Rowe, Jr., *The Legal Theory of Attorney Fee Shifting: A Critical Overview*, 1982 Duke L.J. 651 (examining different rationale for different results in different situations, suggesting that a plaintiff may be awarded fees to make him whole while a defendant may be awarded fees only to protect him from burdensome litigation having no legal or factual basis).[28] Particularly differentiating the cases of a successful

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[28] As Professor Rowe observes:

> [A] superior claim or defense on the merits does not automatically translate into superior equity on fees.

Id. at 655.

> [T]he persuasive reason for making a successful plaintiff whole is that he suffered a legal wrong appropriately remediable by compensation. Our system does not regard bringing (or, for that

copyright suit plaintiff and a successful copyright suit defendant, it may be noted that Congress has provided a variety of remedies to a successful plaintiff with a view to making the plaintiff whole and preventing further infringement;[29] Congress might have, but did not, provide any direction to suggest that a prevailing defendant was to be compensated or protected similarly.[30]

In any event, there is not any reason nor precedential warrant for adoption of an automatic award rule such as advocated on behalf of petitioner.

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matter, defending) a losing case--without more--as the infliction of a legal wrong.

Id. at 659. *See also Breffort v. I Had a Ball Co.*, 271 F. Supp. 623, 627 (S.D.N.Y. 1967) ("The purpose of an award of counsel fees to a plaintiff is to deter copyright infringement. In the case of a prevailing defendant, however, prevention of infringement is obviously not a factor; and if an award is to be made at all, it reprsents a penalty imposed upon the plaintiff for institution of a baseless, frivolous, or unreasonable suit, or one instituted in bad faith") (citation omitted).

[29] 17 U.S.C. §§ 502 ("Injunctions"); 503 ("Impounding and disposition of infringing articles"); 504 ("Damages and profits").

[30] *Cf. Christiansburg Garment*, 434 U.S. at 418-19:

> [A] moment's reflection reveals that there are at least two strong equitable considerations counseling an attorney's fee award to a prevailing Title VII plaintiff that are wholly absent in the case of a prevailing Title VII defendant.
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> First, as emphasized so forcefully in *Piggie Park*, the plaintiff is the chosen instrument of Congress to vindicate "a policy that Congress considered of the highest priority." 390 U.S., at 402. Second, when a district court awards counsel fees to a prevailing plaintiff, it is awarding them against a violator of federal law. As the Court of Appeals clearly perceived, "these policy considerations which support the award of fees to a prevailing plaintiff are not present in the case of a prevailing defendant." 550 F.2d at 951. A successful defendant seeking counsel fees under § 706(k) must rely on quite different equitable considerations.

Even those courts that have not explicitly adopted the Ninth Circuit rule nevertheless have considered, in the case of a prevailing defendant, the blameworthiness of the losing plaintiff and, among other factors bearing on the relative positions of the parties, they have taken into account whether the action was a reasonable assertion of a colorable claim.[31]

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[31] *See Rosciszewski v. Arete Assocs.*, Nos. 92-2122, 92-2390, 1993 WL 283213, at *8 (4th Cir. July 29, 1993) (district court should consider the "motivation of the parties," including "bad faith," the "objective reasonableness of the legal and factual positions advanced," including "whether the positions advanced by the parties were frivolous," and the "'need . . . to advance considerations of compensation and deterrence'"; vacating award of fees to prevailing defendants and remanding for findings under announced standard); *Hartman v. Hallmark Cards, Inc.*, 833 F.2d 117, 123 (8th Cir. 1987) ("[u]nder any of the standards that have been applied to the section 505 fee determination, the finding that [plaintiff's] claim was not baseless supports the district court's determination not to award fees"); *Sherry Mfg. Co. v. Towel King*, 822 F.2d 1031, 1034 (11th Cir. 1987) ("the fact that a losing party has acted in good faith or that his legal position had arguable merit will justify an exercise of the district court's discretion in deciding not to award attorney's fees"; vacating award of fees to prevailing defendant and remanding for articulation of basis for award); *Reader's Digest Ass'n v. Conservative Digest, Inc.*, 821 F.2d 800, 809 (D.C. Cir. 1987) (affirming denial of attorneys' fees to prevailing defendant because "although ultimately unsuccessful, [plaintiff's claim] was not frivolous"); *Donald Frederick Evans & Assocs. v. Continental Homes, Inc.*, 785 F.2d 897, 916-17 (11th Cir. 1986) (affirming denial of fees to prevailing defendant "where the plaintiff asserted colorable copyright claims of the type which 'section 505 is intended in part to encourage'"); *Rural Tel. Serv. Co. v. Feist Publications Inc.*, 24 U.S.P.Q.2d (BNA) 1312, 1313-14 (D. Kan. 1992) ("a defendant in a copyright action will be awarded attorney's fees only where the plaintiff's suit was frivolous, baseless, or prosecuted in bad faith"; denying fees to prevailing defendant because, "while [plaintiff's] copyright claim was ultimately unsuccessful, it was not frivolous or lacking in arguable merit"); *Flag Fables, Inc. v. Jean Ann's Country Flags & Crafts, Inc.*, 753 F. Supp. 1007, 1017 (D. Mass. 1990) (a prevailing defendant should recover attorneys' fees "only where plaintiff's suit was frivolous, baseless, or prosecuted in bad faith"); *Dean v. Burrows*, 732 F. Supp. 816, 826-27 (E.D. Tenn. 1989) ("awards to prevailing defendants are disfavored absent a frivolous or bad-faith prosecution"; denying fees to prevailing defendants because "the plaintiff [did not] pursue[] her prosecution of the [defendants] in bad faith; the

Also, those courts--and courts applying the Ninth Circuit rule as well--have not automatically awarded fees even to a prevailing plaintiff where the losing defendants were innocent infringers or otherwise were not blameworthy. Illustratively, a Ninth Circuit court stated:

> [W]e do not believe Congress intended that the prevailing plaintiff should be awarded attorney's fees in every case. *Lieb v. Topstone Indus., Inc.*, 788 F.2d 151, 155-56 (3d Cir. 1986). Considerations which justify the denial of fees may include (1) the presence of a complex or novel issue of law that the defendant litigates vigorously and in good faith, (2) the defendant's status as innocent, rather than willful or knowing, infringer, (3) the plaintiff's prosecution of the case in bad faith, and (4) the defendant's good faith attempt to avoid infringement. We do not intend by this recitation to limit the factors to those mentioned above.

McCulloch v. Albert E. Price, Inc., 823 F.2d 316, 323 (9th Cir. 1987) (citations omitted).[32]

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action presented a genuine issue for the Court to resolve and was not, therefore, frivolous"); *Motta v. Samuel Weiser, Inc.*, 633 F. Supp. 32, 34 (D. Me. 1980) (denying award of attorneys' fees to prevailing defendant because plaintiff had "succeeded in asserting a colorable, nonfrivolous claim and did not act in bad faith in pursuing the action").

[32] *See also Lieb*; *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 943 (7th Cir. 1989) (award of fees to prevailing plaintiff is "inappropriate where the infringement was not wilful"; affirming denial of fees to prevailing plaintiff), *cert. denied*, 493 U.S. 1075 (1990); *Warner Bros. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1127 (2d Cir. 1989) (plaintiffs were not entitled to fees where "the defendants litigated in good faith against unreasonable demands for damages and attorneys' fees"); *Applied Innovations, Inc. v. Regents of the University of Minnesota*, 876 F.2d 626, 638 (8th Cir. 1989) ("attorney's fees should not be awarded to a prevailing plaintiff as a matter of course"; affirming denial of fees where "the litigation involved numerous complex or novel

Thus, both historical and current precedent serve to repudiate the argument on behalf of Fogerty for adoption of a British-type rule, awarding counsel fees as a matter of course to the

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questions which defendant had litigated vigorously and in good faith"); *Jobete Music Co. v. Massey*, 788 F. Supp. 262, 268 (M.D.N.C. 1992) ("The court adopts the view that absent a showing of bad faith on the part of the defendant, attorney's fees will not be awarded. The conduct of defendant was determined not to be willful; hence, in the court's discretion, it denies the plaintiffs' request for attorney's fees"); *Educational Testing Serv. v. Miller*, [1991-1992] Copyright L. Dec. (CCH) ¶ 26,841, at 24,925 (D.D.C. 1991) (because "[t]he materials received by defendants had no copyright notice, and novel legal issues were presented," plaintiff was not "entitled to be awarded the special costs and attorney's fees which may be awarded under the Copyright Act"); *Dae Han Video Prod. v. Dong San, Chun*, 17 U.S.P.Q.2d (BNA) 1306, 1314 (E.D. Va. 1990) (four factors guide award of attorneys' fees: "(1) the presence of a complex or novel issue of law that the defendants litigate vigorously and in good faith; (2) the defendants' status as innocent infringers; (3) the plaintiffs' prosecution of the action in bad faith; and (4) the defendants' good faith attempt to avoid infringement"; court denied attorneys' fees to prevailing plaintiff because the legal issue was "complex and litigated by the defendants in good faith" and the defendants made "a good faith attempt to avoid infringing on [plaintiff's] copyrights"); *Dolori Fabrics, Inc. v. The Limited, Inc.*, 662 F. Supp. 1347, 1357 (S.D.N.Y. 1987) (refusing to award attorneys' fees against an unintentional infringer, quoting the comment of Professor Nimmer that "'an attorney's fee generally will be awarded only where there is some element of moral blame against the losing party'"); *Whelan Assocs. v. Jaslow Dental Lab., Inc.*, 609 F. Supp. 1325, 1329-30 (E.D. Pa. 1985) (denying attorneys' fees to prevailing plaintiff where defendants, "relying in no small measure upon competent legal advice, sincerely believed that they were legally entitled to take the actions which they took"), *aff'd*, 797 F.2d 1222 (3d Cir. 1986), *cert. denied*, 479 U.S. 1031 (1987); *Kepner-Tregoe, Inc. v. Carabio*, 203 U.S.P.Q. (BNA) 124, 139 (E.D. Mich. 1979) (quoting the comment of Professor Nimmer that "'[a]n attorney's fee . . . will be awarded only where there is some element of moral blame against the losing party'"; court denied attorneys' fees to prevailing plaintiff because plaintiff's position was "highly technical," the legal issue was "complex and novel" and, "while there is perhaps some question as to the blameworthiness of Defendants' conduct, this does not tip the scales").

prevailing party.[33] Such a radical departure from the American common law rule [*see Alyeska Pipeline Serv. Co. v. Wilderness Soc'y*, 421 U.S. 240 (1975)] and the precedent of American cases interpreting fee-shifting statutes would violate every principle of *stare decisis* and statutory construction.

Nor does the Hewlett-Packard claim that a prevailing defendant "deserve[s]" an award because its defeat of the plaintiff's copyright claim may serve "the public interest" bear scrutiny.

As noted [see *supra* note 16], the rewards of winning an infringement case to a defendant who has emulated a commercially successful software product are likely to be enormous, providing all the incentive that is needed to promote the most vigorous defensive litigation.

Moreover, as a practical matter, the tactics available to a determined defendant together with the inherent difficulties of proving both copying and the amount of damages (even where everyone knows that there have been lost sales and lost profits) provide added incentive for a defendant to litigate to the bitter end in the hope of prevailing. As illustrated in the *Apple* case (commenced in March 1988 immediately after examination of Hewlett-Packard's NewWave product, described by Hewlett-Packard upon its introduction as "visually similar to the

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[33] It may be noted that even the British rule is subject to a qualification that a prevailing defendant may be denied fees where there is evidence that the defendant brought about the litigation or did something calculated to occasion unnecessary litigation and expense or did some wrongful act in the course of the transaction of which the plaintiff complains. *See* 1 *The Supreme Court Practice* R. 3(3), at 1043 (Eng. 1992); *see also* Rowe, *supra* p. 19, at 655, 679 (critically examining the rationale supporting a rule of "general indemnity" and showing that "the case for English-style general indemnity has appeared surprisingly weak").

Macintosh [but with more features]"), litigation can be delayed and a jury trial avoided for years during which time the defendant can achieve such success and the plaintiff made to suffer such decline that the defendant must be counted as the economic winner whether it wins or loses in the courtroom.

Additionally, there obviously are a great variety of ways in which a defendant may prevail in a way that benefits no one else or renders no public service of any kind. Hewlett-Packard's prime example of defeating protection for "computer-related works that are functional in nature" [Hewlett-Packard Br. at 3] is, indeed, based on a false premise.

First, an original work is not deprived of copyright protection because it may serve a "functional" purpose. As this Court has stated, there is "nothing in the copyright statute to support the argument that the intended use or use in industry of an article eligible for copyright bars or invalidates its registration. We do not read such a limitation into the copyright law."[34] As summarily stated by a leading scholar, "Protection for computer programs and data bases is not affected by the fact that they may aid or implement utilitarian articles."[35] Illustratively, a work may be copyrightable even though it is a control program;[36] or a toy stuffed animal;[37] or a map or chart (explicitly protected by the earliest United States copyright law

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[34] *Mazer v. Stein*, 347 U.S. 201, 218 (1954) (upholding copyrights in semivitreous china statuettes of dancing figures used as bases for table lamps).

[35] William F. Patry, *Latman's The Copyright Law* 38 n.94 (6th ed. 1986).

[36] *Johnson Controls, Inc. v. Phoenix Control Sys.*, 886 F.2d 1173 (9th Cir. 1989).

[37] *Aliotti v. R. Dakin & Co.*, 831 F.2d 898 (9th Cir. 1987).

[Act of May 31, 1790, 1 Stat. 124]);[38] or even a plate.[39] It is virtually universally recognized that "the mere fact that functional concerns were influential does not establish [the lack of protectible] copyrightable expression."[40] That is the rule in all countries subscribing to the Berne Convention.[41]

Second, the Hewlett-Packard argument is profoundly mistaken in suggesting that computer-related works are not "artistic works." [Hewlett-Packard Br. at 5] The evidence to the contrary is abundant. The testimony of those most knowledgeable about programming is eloquent in describing the artistic nature of the endeavor.[42] The contributions to computer programming of individual imagination and literary programming style are virtually undeniable.[43] The vital contribution of

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[38] *United States v. Hamilton*, 583 F.2d 448 (9th Cir. 1978).

[39] *McCulloch v. Albert E. Price, Inc.*, 823 F.2d 316 (9th Cir. 1987).

[40] *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 788 F. Supp. 78, 97 (D. Mass. 1992).

[41] See the *WIPO Guide to the Berne Convention* 2-1 (1978), explaining that a work produced "may be produced . . . with a merely utilitarian or commercial aim, without this making any difference in the protection it enjoys."

[42] *See, e.g.*, Frederick P. Brooks, Jr., *The Mythical Man-Month* 7 (1982) ("The programmer, like the poet, works only slightly removed from pure thought-stuff. He builds his castles in the air, from air, creating by exertion of the imagination"); Ben Shneiderman, *Software Psychology* 2 (1980) (describing programming as having the "excitement and agony" of composing symphonies or writing novels, explaining that "[p]rogramming is an intensely human experience whose esthetics cannot be imitated or appreciated by mere machines").

[43] *See, e.g., Apple Computer, Inc. v. Mackintosh Computers Ltd.*, 28 D.L.R.4th 178, 184 (Can. Fed. Ct. 1986):

> aesthetic sensory appeal in computer programming (especially in the composition of graphical user interfaces) is manifest. It is not without point that a Microsoft Senior Vice-President wrote to the Windows 3.0 Program Manager recommending the Apple visual interface as "aesthetically pleasing" and commenting that "[t]he Mac's AEQ (Aesthetic Quotient) has always been hirer [sic] than the Windows.'" The designers of the Macintosh interface indeed have testified that they sought to make their work "as artistically appealing and as integrated as possible."

Moreover, Hewlett-Packard's argument that computer-related works "must be judged under the very different standards of the Patent Law" [Hewlett-Packard Br. at 3-4] is equally wrong. Copyrights and patents afford different protection for different creations: Whereas copyright protects the expression contained in some form of communication against copying, patent law protects inventions (including the novel process steps that a computer program directs a computer to perform) against any use thereof, precluding any infringing use of the novel idea itself. As Chief Judge Markey has explained:

> Confusion may be avoided if it be realized that what is at issue [in a patent case] is not the "program," i.e., the

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> There is no doubt that computer programs are highly individualistic in nature and contain a form of expression personal to the individual programmer. No two programmers would ever write a program in exactly the same way (except perhaps in the case of the most simple program). Even the same programmer, after writing a program and leaving it for some time, would not write the program the same way on a second occasion. The sequence of instructions would most certainly be different. The possibility of two programmers creating identical programs, without copying was compared by the *defendants'* expert witness to the likelihood of a monkey sitting at a typewriter producing Shakespeare.

software, but the process steps which the software directs the computer to perform.[44]

In the last analysis, it must be kept in mind that a computer program or screen display is nothing but a communication, precisely the kind of work traditionally protected by copyright. *Cf. Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1251 (3d Cir. 1983) ("the medium is not the message"), *cert. dismissed*, 464 U.S. 1033 (1984).

Lastly, it bears reminder that, in explaining the rule in *Christiansburg Garment*, 434 U.S. at 420-21, the Court emphasized that the rule does protect a winning defendant appropriately by providing for an award of attorneys' fees where it appears that "the plaintiff's action was frivolous, unreasonable, or without foundation, even though not brought in subjective bad faith." Thus, even if, as Hewlett-Packard claims, the Ninth Circuit rule promotes early settlement, that can only (or at least mainly) be so where it appears that the plaintiff's claim is objectively meritorious. At a time when the federal courts are already heavily burdened, it cannot be well contended that a rule that encourages the early settlement of such meritorious claims is undesirable.

Conclusion

For the foregoing reasons, the judgment of the court of appeals should be affirmed.

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[44] *In re Gelnovatch*, 595 F.2d 32, 44 (C.C.P.A. 1979) (Markey, C.J., dissenting). *See Midway Mfg. Co. v. Artic Int'l, Inc.*, 704 F.2d 1009, 1012 (7th Cir.) ("Plaintiff claims copyrights in audiovisual works--the distinctive set of images and sounds stored in its circuit boards. It does not claim copyrights in the design of those circuit boards, so it matters not that those designs may be patentable"), *cert. denied*, 464 U.S. 823 (1983).

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